

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2607 - SB 2634

February 21, 2016

SUMMARY OF BILL: Directs the Commissioner of the Department of Transportation (TDOT), in consultation with the Commissioner of the Department of Safety, to petition the Federal Aviation Administration (FAA) for a certificate of authority to operate unmanned aerial systems (UASs) within the three grand divisions of the state. Requires TDOT to promulgate rules in accordance with the Uniform Administrative Procedures Act. Prohibits any political subdivision from prohibiting the use of a UAS within the boundaries of the political subdivision, if such a system complies with all state and federal laws and regulations.

Authorizes a high school student who completed a college-level course or other accredited training program related to UASs to receive credit towards graduation. Authorizes such credit to be substituted for the required credit in computer education or for two credits in an elective course. Requires the Commissioner of TDOT to establish standards for UASs used with the construction and maintenance of county highways and bridges, consistent with any petition by the Commissioner to the federal aviation administration for a certificate of authority to operate aerial systems.

Adds to the definition of a “motor vehicle” a UAS weighing more than 10 pounds. Defines a UAS as an unmanned aircraft along with the associated support equipment, control station, data links, telemetry, and communication and navigation equipment necessary to operate the unmanned aircraft. Prohibits any person to be in control of any UAS on any streets, alleys, public roads, highways or on the premises of any shopping center, trailer park, apartment house complex while under the influence of alcohol or any controlled substance.

Prohibits airport authorities from prohibiting the launching, operation, or landing of an UAS. Authorizes airport authorities to reasonably regulate such activities in the interest of public safety. Authorizes metropolitan airport authorities to establish regulations related to the launching, operation, and landing of UASs with the geographic area encompassed by the airport. Prohibits a metropolitan airport authority from designating the launching, operation, or landing of UAS as a hazard.

Authorizes the Commissioner of TDOT to promulgate and enforce any rules necessary to ensure safe launching, operation, and landing of UASs, operated consistent with FAA regulations, for updating, maintaining, performing maintenance on, or inspecting billboards.

ESTIMATED FISCAL IMPACT:

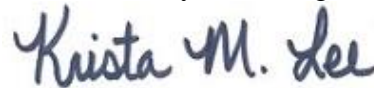
Increase State Expenditures – Exceeds \$500,000/Highway Fund

Assumptions:

- A certificate of authorization is an authorization issued by the FAA's Air Traffic Organization to a public operator for a specific unmanned aircraft activity. After an application submission, FAA conducts a comprehensive operational and technical review. If necessary, provisions or limitations may be imposed as part of the approval to ensure the unmanned aircraft can operate safely with other airspace users.
- TDOT has already filed for a certificate of authority to operate UASs within the middle grand division of the state.
- TDOT will be responsible for petitioning the FAA for all government agencies for a certificate of authority to operate unmanned aerial systems in the entire state.
- According to TDOT, the Department would need unmanned aircrafts, support systems, operators, operation facilities, equipment, and employees to work with all of the entities to coordinate the efforts.
- The number of governmental entities that will participate with the Department in the operation of UASs is unknown.
- According to TDOT, the state of North Carolina may be the closet example to a state that has developed a program related to regulation of UASs. TDOT indicates that North Carolina's program costs approximately \$2,500,000 per year.
- TDOT acknowledges that there are some similarities between this proposal and North Carolina's program; but that it is different in many ways also.
- Given all information provided by TDOT, costs related to the North Carolina program, and this proposal that would require unmanned aircrafts, support systems necessary to operate such aircrafts, experienced operators, operation facilities, equipment, and other employees to work with all of the listed entities to coordinate efforts, the recurring increase in state expenditures from the Highway Fund is reasonably estimated to exceed \$500,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/tdb